

OFFICIAL GAZETTE

GOVERNMENT OF GOA

EXTRAORDINARY

No. 2

GOVERNMENT OF GOA

Department of Power

Office of the Chief Electrical Engineer

152/1/CEE/TECH/4701

Policy for Power Generation

Preamble:

Government of Goa in order to encourage private investment in short gestation power plants that are essentially expected to supply power to industrial consumers at an investment of less than Rs. 400 crores hereby enunciates the policy on setting up of such Power Plants in Goa. In the light of this policy, the Government of Goa is required to give prior concurrence under section 44 of the Electricity (Supply) Act, 1948 for setting up the Power Plant and under section 28 of Indian Electricity Act, 1910 for selling the energy generated. In order to establish short gestation Power Plants in the State and to further the process of the Industrial Development, the Government of Goa considers it necessary to enunciate the policy on power generation.

Government Resolution:

The Government of Goa enunciates the following policy:—

All persons/institutions who intend to instal short gestation Power Plant in the State of Goa are required to take a prior clearance under section 44 of the Electricity (Supply) Act, 1948 and section 28 of the Indian Electricity Act from the Government of Goa which would be given as per the following policy:—

1) The Power Plants will essentially be group captive, dedicated power stations. As such, they will generated and supply power to identified consumers, who have entered/intend to enter into an agreement with the developers of such powers plants. Such

Power Plants would be best suited to serve customers through a dedicated distribution system, preferably over small compact areas.

2) Prospective investors and entrepreneurs, based on their study of demand conditions, and after finalising negotiations with end consumers of power, for production and supply of power, will draw up their project reports and submit their proposals to the State Government. These proposals will be processed by the Government and licence will be issued in conformity with the provisions of the existing Electricity (Supply) Act, 1948, and other statutes within a period of forty five days from the date of filing of firm proposal by the developer, giving all relevant details like technology, financing arrangement, site specification, proposed consumers commitment to buy the power generated.

3) Energy from the Power Plants can be supplied to the identified consumers using either Goa State Electricity Department's existing distribution network or setting up a dedicated transmission network by the Power Plant developer after obtaining a licence under section (3) of the Indian Electricity Act, 1910. In case of the former Goa Electricity Department may on request by the developer lease out the distribution network to the developer, if sufficient extra capacity of the distribution system is available with the Electricity Department after meeting the requirement of its consumers. Detailed arrangement like lease rent etc., will be worked out on mutually acceptable terms between the State Electricity Department and the Power Plant developers. Similar arrangement can also be finalised for the dedicated networks established by the Power Plant developers so as to conform to statutory requirement.

4) a) Where it becomes necessary for the power generated by the Power Plant to be wheeled, using the Electricity Department's transmission network, transmission losses will be accounted as a percentage of energy delivered at the inter-connection point as mentioned below.

Energy delivered to the consumers of the Power Plant developer will be after deducting the losses at the below mentioned percentages from the units delivered by the Power Plant developer at the inter-connection point.

I.	220 KV consumers	...	8%
II.	110 KV consumers	...	8%
III.	33 KVC consumers, 11 KV consumers and LT consumers.	...	10% for a distance upto 50 Kms. 12 % for a distance between 51 Kms. and 100 Kms. 15% beyond 100 Kms.

- b) In addition to the above transmission losses, wheeling charges will be accounted from the Power Plant developer at 2% of the units delivered to the Department at the inter-connection point for wheeling to his consumers.

5) Infrastructure like sub station and tie line, if any required for interfacing the Power Plant with the Electricity Department's Grid will be erected by the developer at his own cost under the supervision by the Department Engineers and as per the design and construction practice of the Electricity Department. Such lines and sub station erected by the developer will be handed over to the Department at no cost. The Department will maintain the lines and sub stations for which maintenance charges at 1.5% of the cost of lines and sub station will be paid by the developer to the Department. As and when the law relating to privatisation of transmission system is enacted by Government of India, the Department will hand over such lines and sub station to the developer at no cost and the developer will thereafter maintain it.

6) Government will not normally purchase the power produced but, in the event of Power Plants generating power in excess of the requirement of their consumers, the same can be purchased by the State Electricity Department. Such purchases by the Electricity Department may be upto a maximum of 15% of individual Power Plant capacity. The Electricity Department may also purchase power beyond 15% of the Power Plant capacity at the Electricity Department's option, without conferring any pre-emptive right of sale on the Power Plant. The price for supplies made to the Electricity Department will be at the rate of 90% of prevailing HT industrial consumers lowest slab tariff. Settlement of accounts will be on a monthly basis. The above procedure will be in force upto the end of March, 2000 A. D. and would be subject to review thereafter.

7) The Power Plants, would need to undertake scheduled outages for maintenance. Scheduling of the outages of the individual Power Plants will need to be done in co-ordination with Electricity Department. When scheduled outages are undertaken as above, the Electricity Department will supply power to the Power Plant at double the then prevailing tariff rates for HT industrial consumers. For unscheduled breakdown in the supply of power by the Power Plants, subject to availability, the Electricity Department will be willing to supply power to the Power Plant but at double the rate of the tariff for HT industrial consumers then prevailing. The normal outage every year will not exceed one month in the year. For availing the supply of power during outages, the Power Plant developer will need to pay in advance a security deposit equivalent to the estimated consumption of power for a period of 2 months.

8) Once industrial consumers enter into agreement with the Power Plant developer, their security deposit with the State Electricity Department will be refunded after adjusting the amounts, if any, due from them to the State Electricity Department for the supply of power. Individual consumers can at their option continue to be consumers of Electricity Department paying minimum charges and maintaining security deposit with a view to obtaining energy supplies from the State Electricity Department network independent of Power Plants arrangement with the State Electricity Department.

9) Prospective investors and entrepreneurs should obtain all the statutory clearances including the clearance from the State Environment & Pollution Control Board etc. for setting up the Power Plant.

10) The Government of Goa will also recommend to the Government of India for exempting Power Plant equipments from customs duty when imported. The State Government will also recommend to the Government of India for allocation of fuel to the Power Plant developer.

The above policy frame-work shall come into force with immediate effect.

By order and in the name of the Governor of Goa.

Rakesh Mehta, Development Commissioner.

Panaji, 26th March, 1998.